



STATE OF IOWA

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DEPARTMENT OF HUMAN SERVICES
EUGENE I GESSOW, DIRECTOR

INFORMATIONAL LETTER NO. 779

January 21, 2009

TO: Iowa Medicaid Hospice Agencies

ISSUED BY: Iowa Department of Human Services, Iowa Medicaid Enterprise

SUBJECT: **Correction; Annual Update of Hospice Rates**

Summary

This Informational Letter corrects technical errors that appeared in Informational Letter 766 entitled "Annual Update of Hospice Rates" that was issued on 11/26/08. This correction is effective 10/01/08.

The Iowa Medicaid Enterprise (IME) recently discovered a memorandum dated September 10, 2008 by the Centers for Medicare and Medicaid Services (CMS) updating Transmittal 1570 dated August 1, 2008. Accordingly, we have updated the table below to correct the hospice rates. The IME will initiate an adjustment for all hospice claims paid, retroactively back to October 1, 2008 affected by the change.

Medicaid Hospice Rates

Pursuant to 441 IAC 79.1(14), Medicaid hospice rates are based on the methodology used in setting Medicare rates for the categories of care provided with application of an appropriate area wage adjustment. The Centers for Medicare & Medicaid Services (CMS) publishes Medicaid hospice payment rate changes annually for the following four levels of care:

Medicaid Hospice Rates Effective October 1, 2008 – September 30, 2009				
Revenue Code	Description	Daily Rate	Wage Component Subject to Index	Non-Wage Component
651	Routine Home Care	\$140.15	\$96.30	\$43.85
652	Continuous Home Care	\$817.26 full rate (24 hours of care) \$34.06 hourly rate	\$561.54	\$255.72
655	Inpatient Respite Care	\$152.41	\$82.50	\$69.91
656	General Inpatient Care	\$622.66	\$398.56	\$224.10

The Medicaid hospice payment rates shown above are effective October 1, 2008 through September 30, 2009. These daily hospice rates are base rates. The wage component of the rate is adjusted by an appropriate wage index to reflect geographical differences in area wage levels.

Additional Information

Questions relating to this Informational Letter may be directed to the IME Provider Services Unit at 1-800-338-7909 or locally at 515-725-1004.